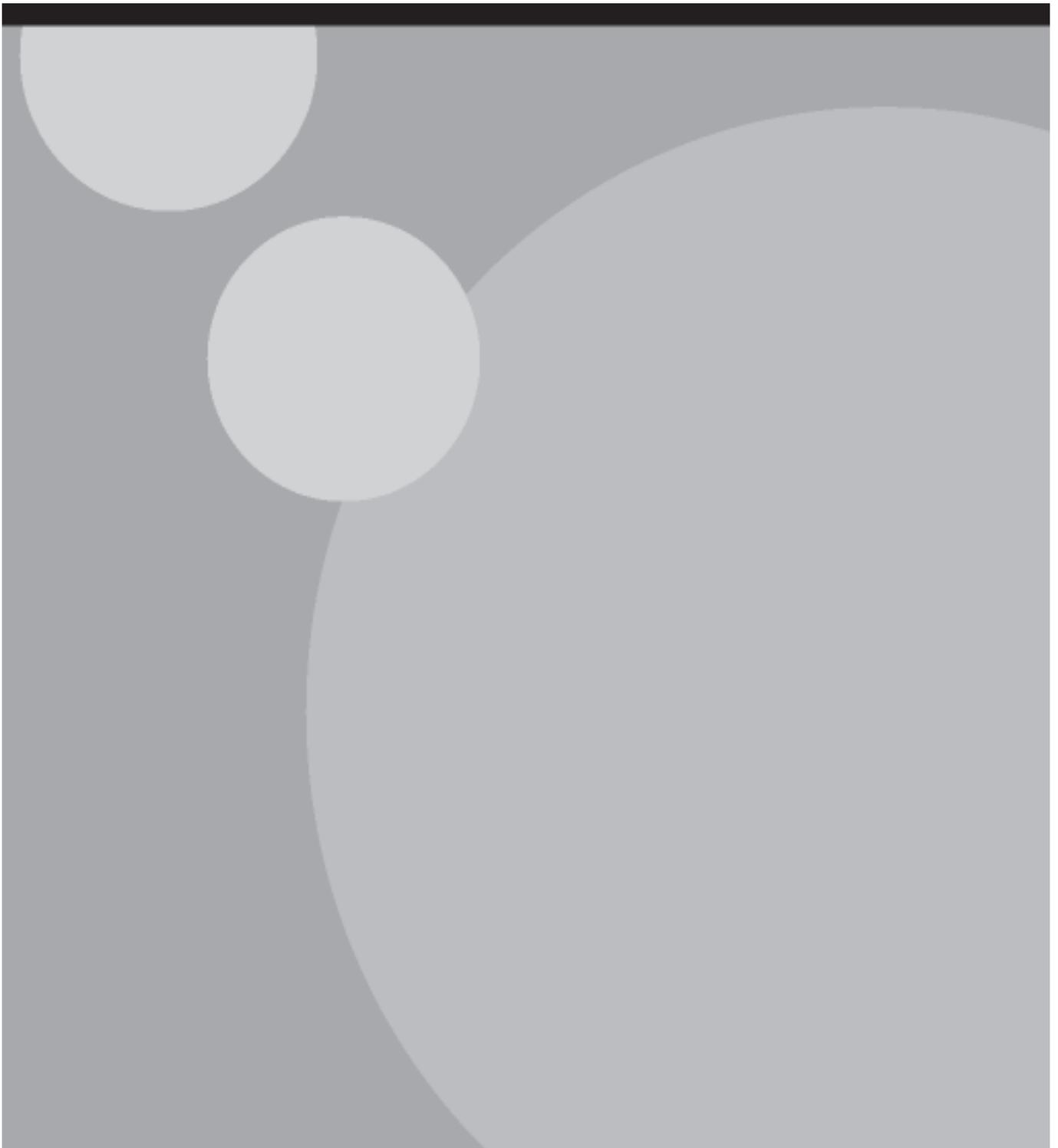


## Spending Review 2010: Equality Impact Assessment

### **Funding for the Decent Homes Programme**



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# DCLG Equality Impact Assessment - Initial Screening Form

1. Name of the current or proposed new or changed, policy, strategy, procedure, project or service being assessed:

Funding for the Decent Homes programme, which allocates capital funding to social landlords to improve the quality of their social housing.

The Government plans to spend over £2bn on tackling non-decent social homes over the next four years.

2. Person and team responsible for completing the Equality Impact Assessment:

Katy Brookes-Duncan, Local Authority Housing Finance and Decent Homes.

3. What is the main aim or purpose of the current or proposed new or changed, policy, strategy, procedure, project or service and what are the intended outcomes?

Tackling Britain's record deficit is the Coalition Government's top priority - the consequences of not acting could be serious. The scale of the deficit has required tough choices to be made about how taxpayers' money is allocated.

The Spending Review sets out how the Coalition Government will carry out Britain's unavoidable deficit reduction plan. This is an urgent priority to secure economic stability, at a time of continuing uncertainty in the global economy, and put Britain's public services and welfare system on a sustainable long term footing. As international bodies such as the International Monetary Fund and Organisation for Economic Cooperation and Development have noted, reducing the deficit is a necessary precondition for sustained economic growth. Failure to take action now would put the recovery at risk and place an unfair burden on future generations. It would also risk pushing up mortgage rates and making housing less affordable.

In order to tackle the budget deficit all Government departments are being required to work within a very tight fiscal settlement. Allocation decisions have followed a zero-based review of capital spending plans, which involved analysing and scrutinising the economic value of projects and programmes across Government to protect the most productive public sector investment. Despite the tight capital allocation for DCLG, over £2bn will be spent on tackling non-decent social homes over the next four years, demonstrating the importance placed on this programme by the Government.

Whilst this is a reduced level of funding against previous years, it should halve the backlog of capital investment work needed to bring social homes up to the Decent Homes standard (in council housing and ex-council housing stock). Around £1.6bn will be directed to local authorities to help deliver an estimated 150,000 refurbished council homes by 2014-15. These are essential works needed (sooner or later) to maintain the structural integrity of the stock and ensure that the properties can continue to be

let, therefore, maintaining the availability of affordable housing for low income and vulnerable households on Housing Benefit.

### **Gap funding commitments with Housing Associations**

£0.5bn of the funding will deliver contractually promised improvements to tenants' homes, and are key parts of funding facility agreements between housing associations and their lenders for particular transfer schemes. Gap funding is not being made available for new transfer proposals.

### **Decent Homes funding for local authorities**

Around £1.6bn of the funding will deliver improvements to local authority housing stock. The fiscal deficit means that funding over this Spending Review period is reduced against previous years. The Government intends to make proposals and consult with local authorities on allocating the funding.

The programme supports the localism agenda. It has devolved decision-making power to the local level; landlords in consultation with their tenants have determined the delivery route for Decent Homes investment, what work should be completed to improve the condition of the housing stock and how the work would be delivered. As a locally delivered programme, the impact of the spending changes will be determined by each local authority.

The size of total funding available puts extra emphasis on achieving value for money, so that we can maximise the number of Councils and tenants which benefit, meeting or exceeding the estimate of over 150,000 council homes refurbished by 2014-15. Budgetary constraint means that most council landlords with a backlog will not receive the level of funding they may have hoped for within the Spending Review period. Therefore, landlords will need to design their investment programmes to ensure good value for public expenditure in the cost of capital works, driven by a high quality asset management strategy and best practice in procurement.

4. What existing sources of evidence will you use to help you identify the likely impacts on different groups of people?

English Housing Survey data (previously English House Condition Survey). This data can be broken down by race, gender, age and disability.

5. Are there gaps in evidence that make it difficult or impossible to form an opinion on how the existing or proposed policy, strategy, procedure, project or service does or might affect different groups of people? If so what are the gaps in the information and how and when do you plan to collect additional information?

English Housing Survey data can be broken down by race, gender, age and disability. Currently, it cannot be broken by sexual orientation, religion or belief, or by the two additional groups covered by the Equalities Act 2010 (expected to come into force in April 2011) of gender reassignment, or marriage and civil partnership.

Data on religion will be for 2009 and 2010 reporting, and on sexual orientation will be for 2010 reporting. The Department has to cut the costs of the survey in 2011-

12 and some questions will be removed. Ministers have yet to decide what data will be available in the English Housing Survey 2011.

6. Having analysed the initial and additional sources of information including feedback from any consultation, is there any evidence that the policy, strategy, procedure, project or service has or is likely to have an adverse equality impact on, and/or that there are known or anticipated different needs or requirements, for any of these different groups of people?

The funding available for tackling the Decent Homes backlog over the Spending Review period will **improve** outcomes for some groups that are over-represented in social housing. Figures from the English Housing Survey are presented in the table below to show this over-representation:

Percentage of housing in each sector including specified household types, 2008			
	% of Group in:		
	Private Sector	Social Sector	All Sectors
Ethnic Minority Households	7.9	14.9	9.1
Households That Include:			
Older People (60+)	35.5	40.2	36.4
Long Term Ill/Disabled	25.8	48.4	29.8
Children	25.8	31.0	26.7

**Source: English Housing Survey 2008**

In addition results from the 2008 English House Condition Survey show that:

- 27% of all social homes were non-decent
- the proportion of households living in non-decent social homes from ethnic minorities was 28%
- older people (aged 60+) living in non-decent social housing was at 26%
- 27% of households with a long-term illness or disability across the social sector were still living in non-decent homes; and
- 27% of families with children lived in non-decent social homes.

However, outcomes would not improve as fast under this proposal as they would have done had funding been available at a higher level.

7. Is a full Equality Impact Assessment Required?  
*(If no, please explain why not)*

Yes.

## DCLG Full Equality Impact Assessment

1. Which group(s) of people has been identified as being disadvantaged by your proposals? What are the equality impacts?

The funding available for tackling the decent homes backlog over the Spending Review will **improve** outcomes for some groups that are over-represented in social housing:

- ethnic minority households
- older people
- people with a long term illness or disability; and
- children.

However, outcomes would not improve as fast under this proposal as they would have done had funding been available at a higher level.

2. In brief, what changes are you planning to make to your current or proposed new or changed policy, strategy, procedure, project or service to minimise or eliminate the adverse equality impacts?

It may not always be possible to mitigate the impacts within a single policy while delivering savings. However, savings in one area allow for higher spending elsewhere, potentially on the same groups of people. It is important therefore to consider the overall set of choices made in the Spending Review, rather than simply each individual decision, when considering mitigations.

Whilst the overall level of funding has been decided for the Decent Homes programme over the Spending Review period, the Government intends to make proposals and consult with local authorities on **allocating** the funding.

The Decent Homes programme supports the localism agenda. It has devolved decision-making power to the local level. Landlords, in consultation with their tenants, determine the delivery route for Decent Homes investment, what work should be completed to improve the condition of the housing stock and how the work would be delivered. As part of the Spending Review, local authorities will have even greater freedom and flexibility to make local spending decisions according to local priorities.

In making funding decisions, local authorities will need to carry out their own equality impact assessment. There is already a legal requirement for local authorities, as "public bodies" within the meaning of the equality legislation, to carry out equality impact assessments of the effect their policies and practices will have on equality in relation to race, disability, gender, sexual orientation, religion or belief, and age. The Equality Act 2010 will, when the relevant provisions are in force (expected to be in April 2011), extend this requirement to the additional "protected characteristics" of gender reassignment and marriage and civil partnership.

3. Please provide details of whom you will consult on the proposed changes and if you do not plan to consult, please provide the rationale behind that decision.

The Government intends to make proposals and consult with local authorities on **allocating funding**.

Decisions about how the funding will be used in each locality to achieve the Decent Homes standards will be made by authorities themselves within the locality as part of the statutory obligations to comply with the Equality Duty, and through involving tenants in the process following guidance issued in June 2006.

4. Can the adverse impacts you identified during the initial screening be justified without making any adjustments to the existing or new policy, strategy, procedure, project or service? Please set out the basis on which you justify making no adjustments.

As set out in the initial screening, tackling Britain's record deficit is the Coalition Government's top priority - the consequences of not acting could be serious. The scale of the deficit has required tough choices to be made about how taxpayers' money is allocated.

The Spending Review sets out how the Coalition Government will carry out Britain's unavoidable deficit reduction plan. This is an urgent priority to secure economic stability, at a time of continuing uncertainty in the global economy, and put Britain's public services and welfare system on a sustainable long term footing. The Coalition Government inherited one of the most challenging fiscal positions in the world. Last year, Britain's deficit was the largest in its peacetime history – the state borrowed one pound for every four it spent. The UK currently spends £43 billion on debt interest, which is more than it spends on schools in England. As international bodies such as the International Monetary Fund and Organisation for Economic Cooperation and Development have noted, reducing the deficit is a necessary precondition for sustained economic growth. Failure to take action now would put the recovery at risk and place an unfair burden on future generations. It would also risk pushing up mortgage rates and making housing less affordable.

In order to tackle the budget deficit all Government departments are being required to work within a very tight fiscal settlement. Allocation decisions have followed a zero-based review of capital spending plans, which involved analysing and scrutinising the economic value of projects and programmes across Government to protect the most productive public sector investment. Despite the tight capital allocation for DCLG, over £2bn will be spent on tackling non-decent social homes over the next four years, demonstrating the importance placed on this programme by the Government.

Whilst this is a reduced level of funding against previous years, it should halve the backlog of capital investment work needed to bring social homes up to the Decent Homes standard (in council housing and ex-council housing stock). Around £1.6bn will be directed to local authorities to help deliver over 150,000 refurbished council homes by 2014-15. The level of funding available for the Decent Homes programme will mean that outcomes for the groups that are over-

represented in social housing will improve. Proposals for allocating the funding will be made as soon as possible.

5. You are legally required to monitor and review the proposed changes after implementation to check they work as planned and to screen for unexpected equality impacts.

Please provide details of how you will monitor/evaluate or review your proposals and when the review will take place.

This will be reviewed as part of future Spending Review decisions made by the Government.

Furthermore, the English Housing Survey data on equality groups living in non-decent social homes in 2011 will be published in 2013. This will provide information on which to judge whether the proposal has had an adverse impact on equalities groups.

6. Sign off

Name of Person Signing Off the Full Equality Impact Assessment: John Fiennes

Role: Director

Date: 08 November 2010

## Full Equality Impact Assessment - Action Plan

Actions taken or proposed	Rationale for the Action	Beneficiaries of the Action	Timing	Responsibility
<b>Changes made:</b> Changes that have been made to policy as a result of the Equality Impact Assessment.				
None				
<b>Mitigation:</b> For areas where a policy may have a differential impact on certain groups, what arrangements are in place or proposed to mitigate these effects?				
Tenant involvement	Tenants can help to determine priorities to avoid any perceived bias or discrimination	Tenants	On-going	Landlord or housing managers
<b>Justification:</b> For areas where a policy may impact negatively (but not illegally) on certain groups but mitigation is not possible (e.g. an overriding societal driver) there needs to be a strategy for handling issues of unfairness.				
<b>Opportunities:</b> Please state actions designed to maximise positive effects, i.e. opportunities identified for: promoting equality, good relations or knowledge about groups; increasing civic & democratic participation; or addressing inequalities.				
<b>Monitor:</b> how will you monitor the impact and effectiveness of the new policy?				
English Housing Survey	To monitor housing conditions and household attributes and whether there are adverse impacts on equalities groups	N/A	Annually	DCLG/BRE

Actions taken or proposed	Rationale for the Action	Beneficiaries of the Action	Timing	Responsibility
<b>Publish:</b> give details of how the results of the EqIA will be published.				
We propose to publish the full EQIA for Decent Homes following the Comprehensive Spending Review.	Requirement of the process.	N/A	December 2010	DCLG